

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

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In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,
et al.,

Debtors.¹

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In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE EMPLOYEES RETIREMENT SYSTEM
OF THE GOVERNMENT OF THE
COMMONWEALTH OF PUERTO RICO (ERS),

Debtor.

PROMESA
Title III

No. 17 BK 3283-LTS
(Jointly Administered)

This Order relates to
17 BK 3566-LTS and shall
also be filed in the Case No.
17 BK 3566-LTS.

PROMESA
Title III

No. 17 BK 3566-LTS

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

ORDER

On July 3, 2018, Movants² filed the *Motion of Certain Secured Creditors of the Employees Retirement System of the Government of the Commonwealth of Puerto Rico for Relief from the Automatic Stay* (Docket Entry No. 3418 in Case No. 17 BK 3283-LTS and Docket Entry No. 289 in Case No. 17 BK 3566-LTS, the “Adequate Protection Motion”).

On July 10, 2018, (i) the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) filed the *Debtor’s Opposition to Motion of Certain Secured Claimholders of Employees Retirement System of Government of Commonwealth of Puerto Rico for Relief from Automatic Stay* (Docket No. 3465 in Case No. 17-bk-03283 and Docket No. 292 in Case No. 17-bk-03566); (ii) the Official Committee of Retired Employees of the Commonwealth of Puerto Rico (the “Retiree Committee”) filed the *Objection of the Official Committee of Retired Employees of the Commonwealth of Puerto Rico to the ERS Bondholders’ Motion for Relief from the Automatic Stay* (Docket No. 3468 in Case No. 17-bk-03283 and Docket No. 293 in Case No. 17-bk-03566); (iii) the American Federation of State, County and Municipal Employees (“AFSCME”) filed the *Joinder of the American Federation of State,*

² Movants include Altair Global Credit Opportunities Fund (A), LLC; Andalusian Global Designated Activity Company; Glendon Opportunities Fund, L.P.; Mason Capital Master Fund LP; Nokota Capital Master Fund, L.P.; Oaktree-Forrest Multi-Strategy, LLC (Series B); Oaktree Opportunities Fund IX, L.P.; Oaktree Opportunities Fund IX (Parallel 2), L.P.; Oaktree Value Opportunities Fund, L.P.; Ocher Rose, L.L.C.; Puerto Rico AAA Portfolio Bond Fund, Inc.; Puerto Rico AAA Portfolio Bond Fund II, Inc.; Puerto Rico AAA Portfolio Target Maturity Fund, Inc.; Puerto Rico Fixed Income Fund, Inc.; Puerto Rico Fixed Income Fund II, Inc.; Puerto Rico Fixed Income Fund III, Inc.; Puerto Rico Fixed Income Fund IV, Inc.; Puerto Rico Fixed Income Fund V, Inc.; Puerto Rico GNMA & U.S. Government Target Maturity Fund, Inc.; Puerto Rico Investors Bond Fund I; Puerto Rico Investors Tax-Free Fund, Inc.; Puerto Rico Investors Tax-Free Fund II, Inc.; Puerto Rico Investors Tax-Free Fund III, Inc.; Puerto Rico Investors Tax-Free Fund IV, Inc.; Puerto Rico Investors Tax-Free Fund V, Inc.; Puerto Rico Investors Tax-Free Fund VI, Inc.; Puerto Rico Mortgage-Backed & U.S. Government Securities Fund, Inc.; SV Credit, L.P.; Tax-Free Puerto Rico Fund, Inc.; Tax-Free Puerto Rico Fund II, Inc.; Tax-Free Puerto Rico Target Maturity Fund, Inc.; and UBS IRA Select Growth & Income Puerto Rico Fund.

County and Municipal Employees to (1) the Objection of the Official Committee of Retired Employees of the Commonwealth of Puerto Rico to the ERS Bondholders' Motion for Relief from the Automatic Stay and (2) Debtor's Opposition to Motion of Certain Secured Claimholders of Employees Retirement System of Government of Commonwealth of Puerto Rico for Relief from Automatic Stay (Docket No. 3467 in Case No. 17-bk-03283 and Docket No. 294 in Case No. 17-bk-03566); and (iv) the Official Committee of Unsecured Creditors of all Title III Debtors filed the Joinder of the Official Committee of Unsecured Creditors to Debtor's and Retiree Committee's Objections to Motion of Certain Secured Creditors of Employees Retirement System of Government of Commonwealth of Puerto Rico for Relief from Automatic Stay (Docket No. 3470 in Case No. 17-bk-03283 and Docket No. 296 in Case No. 17-bk-03566).

On July 17, 2018, Movants filed the *Reply of Certain Secured Creditors of the Employees Retirement System of the Government of the Commonwealth of Puerto Rico in Support of Motion for Relief from the Automatic Stay* (Docket No. 3592 in Case No. 17-bk-03283 and Docket No. 303 in Case No. 17-bk-03566).

On August 6, 2018, the Court entered the *Order Scheduling Certain Deadlines with Respect to the Motion of Certain Secured Creditors of the Employees Retirement System for Relief from the Automatic Stay* (Docket No. 313 in Case No. 17 BK 3566-LTS and Docket No. 3747 in Case No. 17 BK 3283-LTS, the "August 6 Order").

On August 17, 2018, the Court issued the *Opinion and Order Granting and Denying in Part Cross Motions for Summary Judgment* (the "August 17 Order") finding that Movants' liens are unperfected (Docket No. 215 in Adv. Proc. No. 17-00213).

The August 17 Order resolves the Adequate Protection Motion.

It is hereby ORDERED that:

1. The Adequate Protection Motion is DENIED on the ground that the August 17

Order resolves it;

2. This Order is without prejudice to Movants' right to appeal this Order and the August 17 Order on any grounds and without prejudice to the Oversight Board, on behalf of ERS, and the Retiree Committee opposing any appeal on any grounds;

3. This resolves the August 6 Order;

4. All parties' rights are reserved in full; and

5. Each party shall bear its own costs and attorneys' fees.

SO ORDERED.

Dated: August 21, 2018

/s/ Laura Taylor Swain
LAURA TAYLOR SWAIN
United States District Judge